

GENEVA TOWNSHIP
MIDLAND COUNTY, MICHIGAN

FINANCIAL STATEMENTS

MARCH 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Name (Specify) <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other GENEVA TOWNSHIP		County MIDLAND	
Audit Date MARCH 31, 2004	Opinion Date JULY 1, 2004	Date Accountant Report Submitted to State:	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

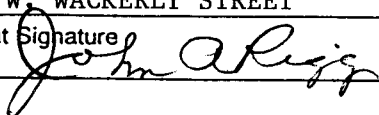
Certified Public Accountant (Firm Name) JOHN A. RIGG, CPA			
Street Address 4012 W. WACKERLY STREET	City MIDLAND	State MI	ZIP 48640
Accountant Signature 			

TABLE OF CONTENTS

Independent Auditor's Report	1
Statement 1. - Combined Balance Sheet - All Fund Types and Account Groups March 31, 2004	2
Statement 2. - Combined Statement of Revenues, Expenditures and Changes in Fund Equity - All Governmental Fund Types For the Year Ended March 31, 2004	3
Statement 3. - Combined Statement of Revenues, Expenditures and Changes in Fund Equity - Budget and Actual General and Special Revenue Funds For the Year Ended March 31, 2004	4
Notes to Financial Statements March 31, 2004	5-10
Supplementary Information	11
Statement 4. - General Fund Statement of Revenues, Expenditures and Changes in Fund Equity - Budget and Actual For the Year Ended March 31, 2004	12
Statement 5. - Statement of Changes in Assets and Liabilities Tax Agency Fund For the Year Ended March 31, 2004	13
Schedule 1. - General Fund Schedule of Expenditures For the Year Ended March 31, 2004	14-15

*

JOHN A. RIGG
CERTIFIED PUBLIC ACCOUNTANT
4012 W. WACKERLY STREET
MIDLAND, MICHIGAN 48640-2298

TELEPHONE (989) 835-6774
FAX (989) 835-9622

INDEPENDENT AUDITOR'S REPORT

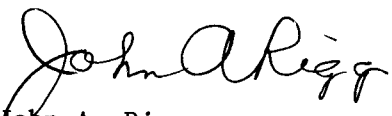
To the Honorable Members of the
Geneva Township Board
Midland County, Michigan

I have audited the accompanying general purpose financial statements of Geneva Township, Midland County, as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the township's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards of the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Geneva Township, Midland County, as of March 31, 2004, and the results of its operations for the year then ended in conformity with generally accepted accounting principles of the United States of America.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements and schedules listed as supplementary information in the table of contents are presented for the purposes of additional analysis and are not a required part of the general purpose financial statements of Geneva Township, Midland County. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.


John A. Rigg
Certified Public Accountant

Midland, Michigan
July 1, 2004

GENEVA TOWNSHIP
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>FIDUCIARY FUND TYPE</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Trust and Agency</u>
<u>ASSETS</u>			
Cash in bank - checking	\$ 136.81	\$ 7.36	\$
Cash in bank - savings	44,683.87	98,902.00	
Accounts receivable	138.31		
Taxes receivable - current	2,637.31	6,048.00	
Fixed assets			
Amount to be provided for retirement of general long-term debt			
<u>Total assets</u>	<u>\$ 47,596.30</u>	<u>\$104,957.36</u>	<u>\$ -0-</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 27,598.27	\$ 5,896.65	\$
Payroll taxes payable	346.59		
Drain-at-large - Tigner #822			
<u>Total liabilities</u>	<u>\$ 27,944.86</u>	<u>\$ 5,896.65</u>	<u>\$ -0-</u>
<u>FUND EQUITY</u>			
Investment in general fixed assets	\$	\$	\$
Fund balances:			
Unreserved:			
Undesignated	19,651.44	99,060.71	
<u>Total fund equity</u>	<u>\$ 19,651.44</u>	<u>\$ 99,060.71</u>	<u>\$ -0-</u>
<u>Total liabilities and fund equity</u>	<u>\$ 47,596.30</u>	<u>\$104,957.36</u>	<u>\$ -0-</u>

See accompanying notes to financial statements.

ACCOUNT GROUP		TOTALS
General Fixed Assets	General Long-Term Debt	(Memorandum Only)
\$	\$	\$ 144.17
		143,585.87
		138.31
		8,685.31
101,755.34		101,755.34
	11,160.00	11,160.00
<u>\$101,755.34</u>	<u>\$ 11,160.00</u>	<u>\$265,469.00</u>
\$	\$	\$ 33,494.92
		346.59
	11,160.00	11,160.00
<u>\$ -0-</u>	<u>\$ 11,160.00</u>	<u>\$ 45,001.51</u>
\$101,755.34	\$	\$101,755.34
		118,712.15
<u>\$101,755.34</u>	<u>\$ -0-</u>	<u>\$220,467.49</u>
<u>\$101,755.34</u>	<u>\$ 11,160.00</u>	<u>\$265,469.00</u>

GENEVA TOWNSHIP
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND EQUITY - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED MARCH 31, 2004

Statement 2.

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTALS</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<u>REVENUES</u>			
Taxes and assessments	\$ 31,423.44	\$ 53,784.00	\$ 85,207.44
State grants	89,397.85		89,397.85
Interest earned	552.57	587.33	1,139.90
Rental of facilities	1,125.00		1,125.00
Licenses and permits	320.00		320.00
Service charges	160.00		160.00
Miscellaneous	317.96		317.96
Cemetery sales	2,140.00		2,140.00
Cable television franchise fees	80.07		80.07
Shared expense	393.00		393.00
Summer tax collection	1,872.50		1,872.50
<u>Total revenues</u>	<u>\$127,782.39</u>	<u>\$ 54,371.33</u>	<u>\$182,153.72</u>
<u>EXPENDITURES</u>			
General government	\$102,548.68	\$	\$102,548.68
Public safety	2,258.74		2,258.74
Highways and streets	5,940.00		5,940.00
Sanitation		49,659.11	49,659.11
<u>Total expenditures</u>	<u>\$110,747.42</u>	<u>\$ 49,659.11</u>	<u>\$160,406.53</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>\$ 17,034.97</u>	<u>\$ 4,712.22</u>	<u>\$ 21,747.19</u>
Fund equity - beginning	2,616.47	94,348.49	96,964.96
Fund equity - ending	<u>\$ 19,651.44</u>	<u>\$ 99,060.71</u>	<u>\$118,712.15</u>

See accompanying notes to financial statements.

GENEVA TOWNSHIP
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND EQUITY - BUDGET AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes and assessments	\$ 31,145.24	\$ 31,423.44	\$ 278.20
State grants	97,351.00	89,397.85	(7,953.15)
Licenses and permits		320.00	320.00
Charges for services		160.00	160.00
Interest earned	1,000.00	552.57	(447.43)
Rental of facilities	1,200.00	1,125.00	(75.00)
Miscellaneous	1,600.00	317.96	(1,282.04)
Cemetery sales	1,700.00	2,140.00	440.00
Cable television franchise fees		80.07	80.07
Shared expense	405.00	393.00	(12.00)
Summer tax collection		1,872.50	1,872.50
<u>Total revenues</u>	<u>\$134,401.24</u>	<u>\$127,782.39</u>	<u>\$ (6,618.85)</u>
<u>EXPENDITURES</u>			
General government	\$ 87,588.07	\$ 73,404.88	\$ 14,183.19
Public safety	31,638.00	31,402.54	235.46
Highways and streets	30,000.00	5,940.00	24,060.00
Sanitation			
<u>Total expenditures</u>	<u>\$149,226.07</u>	<u>\$110,747.42</u>	<u>\$ 38,478.65</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>\$(14,824.83)</u>	<u>\$ 17,034.97</u>	<u>\$ 31,859.80</u>
Fund equity - beginning	<u>2,616.47</u>	<u>2,616.47</u>	
Fund equity - ending	<u>\$(12,208.36)</u>	<u>\$ 19,651.44</u>	<u>\$ 31,859.80</u>

See accompanying notes to financial statements.

<u>SPECIAL REVENUE FUNDS</u>		
<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
\$ 54,042.69	\$ 53,784.00	\$ (258.69)
1,000.00	587.33	(412.67)
<u>\$ 55,042.69</u>	<u>\$ 54,371.33</u>	<u>\$ (671.36)</u>
\$	\$	\$
<u>53,387.00</u>	<u>49,659.11</u>	<u>3,727.89</u>
<u>\$ 53,387.00</u>	<u>\$ 49,659.11</u>	<u>\$ 3,727.89</u>
\$ 1,655.69	\$ 4,712.22	\$ 3,056.53
<u>94,348.49</u>	<u>94,348.49</u>	
<u>\$ 96,004.18</u>	<u>\$ 99,060.71</u>	<u>\$ 3,056.53</u>

GENEVA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Geneva Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Description of Reporting Entity

Geneva Township was organized prior to 1900 and covers an area of 36 square miles with the township's seat located within the boundaries of the township. The township operates under the directorship of a township board consisting of five members. The township provides the following services: public safety, highways and streets, refuse collection, culture and recreation, public improvements and general administrative services.

B. Fund Accounting

The accounts of Geneva Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into fund types and fund categories as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - A special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Funds

Trust and Agency Funds - Trust and agency funds are used to account for assets held by the township in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. Agency funds are custodial in nature and do not involve measurements of results of operations.

C. Fixed Assets

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group, rather than in governmental funds. No depreciation has been provided on general fixed assets. Infrastructure fixed assets are not included in the general fixed assets account group.

Due to a lack of historical costs of assets acquired prior to March 26, 1969, a nominal value has been assigned these assets. All fixed assets acquired since that date are valued at cost.

GENEVA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Encumbrances

Encumbrances are defined as commitments related to unperformed contracts for goods and services. The township does not record encumbrances in the normal course of operating its accounting system and none are recorded in the accompanying financial statements.

F. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental and fiduciary funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available to finance expenditures of the fiscal period.

Expenditures are generally recognized when the related liability is incurred.

G. Budgets and Budgetary Accounting

Budgets for the general fund and special revenue funds are adopted annually on a basis consistent with generally accepted accounting principles. All budgets are on a cost center basis and are adopted at an annual board meeting prior to the approval of any expenditure for the fiscal year.

H. Cash and Interest Bearing Deposits and Investments

Deposits are carried at cost. Deposits are in two banks in the name of Geneva Township. Michigan Compiled Laws, Section 129.91, authorizes the local unit to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements, bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The local unit's deposits are in accordance with statutory authority.

GENEVA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

The Governmental Accounting Standards Board (GASB) Statement No. 3 risk disclosure for deposits at year end are as follows:

<u>Deposits</u>	<u>Carrying Amount</u>	<u>Bank Balances</u>
Insured	\$109,930.80	\$109,930.80
Uninsured	<u>33,799.24</u>	<u>108,465.73</u>
	<u>\$143,730.04</u>	<u>\$218,396.53</u>

The township does not have any investments which require disclosure of categories of risk in accordance with GASB Statement 3.

I. Vacation, Sick Leave and Deferred Compensation

The township does not provide vacation or sick leave benefits to its employees, nor does it have a deferred compensation plan.

J. Other Significant Data

- Property taxes attach as an enforceable lien on the property as of December 1. Taxes are levied on December 1 and payable through February 28, at which time they are returned delinquent to the Midland County Treasurer. The full 2003 levy of the township's property tax is recognized as revenue of the current period. The uncollected property taxes as of March 31, 2004, are recognized as a current receivable. The township bills and collects its own property taxes and also for other governmental units. Collection of taxes and remittance of same are accounted for in the tax agency fund. Property taxes levied included 1.2885 mills for general operations and .9559 mill for library services. A flat rate of \$108 is assessed all users for garbage disposal. The 2003 state equalized value and taxable value of property located in the township totaled \$29,063,423 and \$20,264,057, respectively. The delinquent real property taxes of Geneva Township are purchased by the County of Midland. The taxes have been recorded as revenue for the current year.

- A summary of changes in general fixed assets follows:

	<u>Balance 3-31-03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3-31-04</u>
Land and improvements	\$ 1,282.54	\$	\$	\$ 1,282.54
Parking lot improvements	4,290.00			4,290.00
Building improvements	74,926.89			74,926.89
Equipment	<u>22,605.91</u>		<u>1,350.00</u>	<u>21,255.91</u>
<u>Totals</u>	<u>\$103,105.34</u>	<u>\$</u>	<u>\$1,350.00</u>	<u>\$101,755.34</u>

- The Statement of Changes in Assets and Liabilities - Tax Agency Fund, Statement 5., is not shown as a combining statement. This is shown as a separate statement since only one agency fund exists in Geneva Township.

GENEVA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

4. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure, as part of the combined statements, of certain information concerning individual funds including:

- a. Summary disclosures of changes in general fixed assets by major asset class. See Note J.2 for this information.
- b. Excess of expenditures over appropriations in budgetary funds. No fund had expenditures in excess of appropriations for the year ended March 31, 2004.
- c. Deficit fund balances of individual funds. No fund reflected a deficit fund balance at March 31, 2004.
- d. No interfund receivable and payable balances existed at March 31, 2004.

5. The totals column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation, because interfund eliminations have not been made in the aggregation of this data.
6. The township provides pension benefits to all its salaried township officials through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus interest earnings. As established by board resolution, the township contributes a set amount for each employee for various ranges of gross earnings. However, in no event does the township contribute less than 7.5% of each employee's gross earnings. Employees have a mandatory contribution of 25% of the employer contribution and can voluntarily contribute an additional amount not to exceed 10% of their gross earnings. In accordance with these requirements, the township contributed \$1,540.04 during the current year and employees contributed \$1,068.30.
7. Long-Term Debt

The general long-term debt of Geneva Township as of March 31, 2004, is as follows:

During the year ended March 31, 2003, the township was obligated for a portion of the drain-at-large construction work on the Tigner #822. Other participants are Midland Township, Midland County and State of Michigan. Geneva's total cost is \$18,600.00 payable at \$3,720.00 plus interest annually.

The annual long-term debt requirement of Geneva Township is as follows:

<u>Year Ended</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
3-31-05	3.45%	\$ 3,720.00	\$ 384.44	\$ 4,104.44
3-31-06	3.45%	3,720.00	247.68	3,967.68
3-31-07	3.45%	3,720.00	128.34	3,848.34
		<u>\$ 11,160.00</u>	<u>\$ 760.46</u>	<u>\$ 11,920.46</u>

GENEVA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

During the year ended March 31, 2002, a new library was constructed which serves Geneva Township, Warren Township and the City of Coleman. Geneva Township approved an appropriation of \$7,500.00 in September, 2001, payable in five annual installments of \$1,500.00. As of 3-31-04, three installments remain.

K. Risk Financing and Related Insurance Issues

The categories of risk of loss to which the township is exposed and for which it has purchased insurance are as follows: property damage, liability, accident workers' compensation and theft. There have been no significant reductions in insurance coverage as compared to the previous year.

L. Jointly Governed Organizations

1. Area Fire Department - Geneva Township, Warren Township, Denver Township, Wise Township and the City of Coleman participate jointly in the operation of the Coleman Area Fire Department. The fire department is audited as a separate governmental unit. The financial records are kept by the Coleman Area Fire Department secretary who can be contacted at P. O. Box 366, Coleman, MI 48618. The funding formula approved by the members is based on population, assessed valuation and the number of residences. A breakdown of members' percentages of the net operating budget for the fiscal year of July 1, 2003, through June 30, 2004, is as follows:

Geneva Township	21.656%
Warren Township	45.929%
Denver Township	4.820%
Wise Township	11.776%
City of Coleman	15.819%
	<u>100.000%</u>

Geneva Township's appropriation for the year ended 3-31-04 was \$28,637.25.

2. Library - Geneva Township, Warren Township, and the City of Coleman participate jointly in the Coleman Area Library. The library is audited as a separate governmental unit. The financial records of the library are kept at the library at 111 First Street, Box 515, Coleman, MI 48618. The funding of the library comes from the State of Michigan, penal fines and millage assessments of the local unit members. A breakdown of the members' contributions based on the 2003 levy is as follows:

Geneva Township	\$19,662.47
Warren Township	45,103.68
City of Coleman	14,118.28

Geneva Township assessed its residents .9559 mill for the operation of the library which amounted to \$19,662.47.

GENEVA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

3. Building Board - Geneva Township, Warren Township, and the City of Coleman participate jointly in the operation of the Coleman Area Building Board. The Building Board issues all building permits for the three local units involved and collects and disburses permit fees. The financial records of the Coleman Area Building Board are at the Coleman Area Building Department, P. O. Box D, Coleman, MI 48618. Standard rates are charged for permit fees based on the type of work performed.

SUPPLEMENTARY INFORMATION

GENEVA TOWNSHIP

Statement 4.

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND EQUITY - BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Current taxes	\$ 31,145.24	\$ 31,423.44	\$ 278.20
State sales tax reversion	92,301.00	84,363.00	(7,938.00)
State - Pilot Program	5,050.00	5,034.85	(15.15)
Licenses and permits		320.00	320.00
Charges for services		160.00	160.00
Interest earned	1,000.00	552.57	(447.43)
Hall rentals	1,200.00	1,125.00	(75.00)
Miscellaneous	1,600.00	317.96	(1,282.04)
Cemetery sales	1,700.00	2,140.00	440.00
Cable television franchise fees		80.07	80.07
Shared expense	405.00	393.00	(12.00)
Summer tax collection		1,872.50	1,872.50
<u>Total revenues</u>	<u>\$134,401.24</u>	<u>\$127,782.39</u>	<u>\$ (6,618.85)</u>
<u>EXPENDITURES</u>			
Township board	\$ 16,873.00	\$ 14,482.03	\$ 2,390.97
Supervisor	14,675.72	13,178.63	1,497.09
Elections	500.00		500.00
Clerk	13,939.11	10,169.73	3,769.38
Board of review	700.00	635.00	65.00
Treasurer	14,156.11	11,682.94	2,473.17
Township hall	5,900.00	4,855.21	1,044.79
Cemetery	7,600.00	8,032.24	(432.24)
Liquor law enforcement	310.00	325.00	(15.00)
Fire protection	29,338.00	29,143.80	194.20
Zoning board	8,300.00	5,306.64	2,993.36
Drain-at-large	4,634.13	4,737.46	(103.33)
Road maintenance and improvements	30,000.00	5,940.00	24,060.00
Street lighting	2,300.00	2,258.74	41.26
<u>Total expenditures</u>	<u>\$149,226.07</u>	<u>\$110,747.42</u>	<u>\$ 38,478.65</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>\$(14,824.83)</u>	<u>\$ 17,034.97</u>	<u>\$ 31,859.80</u>
Fund equity - beginning	2,616.47	2,616.47	
Fund equity - ending	<u>\$(12,208.36)</u>	<u>\$ 19,651.44</u>	<u>\$ 31,859.80</u>

See accompanying notes to financial statements.

GENEVA TOWNSHIP
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
TAX AGENCY FUND
FOR THE YEAR ENDED MARCH 31, 2004

Statement 5.

	<u>Balance</u> <u>4-1-03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3-31-04</u>
<u>ASSETS</u>				
Cash in bank	\$ -0-	\$531,507.51	\$531,507.51	\$ -0-
<u>Total assets</u>	<u>\$ -0-</u>	<u>\$531,507.51</u>	<u>\$531,507.51</u>	<u>\$ -0-</u>
<u>LIABILITIES</u>				
Due to general fund	\$	\$ 24,443.64	\$ 24,443.64	\$
Due to solid waste fund		47,736.00	47,736.00	
Due to Coleman Area Library		17,972.67	17,972.67	
Due to Coleman Community School District		114,838.99	114,838.99	
Due to Delta College		47,022.89	47,022.89	
Due to Midland County		279,315.95	279,315.95	
Overpayments		177.37	177.37	
<u>Total liabilities</u>	<u>\$ -0-</u>	<u>\$531,507.51</u>	<u>\$531,507.51</u>	<u>\$ -0-</u>

See accompanying notes to financial statements.

GENEVA TOWNSHIP

Schedule 1.

GENERAL FUND

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>TOWNSHIP BOARD</u>			
Salaries and wages	\$	\$ 5,799.39	\$
Printing and publishing		333.00	
Retirement expense		1,856.00	
Dues and subscriptions		453.66	
Insurance		4,104.58	
Mileage and travel		70.92	
Professional services		750.35	
Meetings and education		580.00	
Payroll taxes		534.13	
<u>Totals</u>	<u>\$ 16,873.00</u>	<u>\$ 14,482.03</u>	<u>\$ 2,390.97</u>
<u>SUPERVISOR</u>			
Salaries	\$	\$ 11,625.72	\$
Salary - deputy		32.00	
Office supplies		1,114.27	
Mileage and travel		356.64	
License		50.00	
<u>Totals</u>	<u>\$ 14,675.72</u>	<u>\$ 13,178.63</u>	<u>\$ 1,497.09</u>
<u>ELECTIONS</u>			
Salaries and wages	\$	\$	\$
Miscellaneous			
Training and education			
Mileage			
Payroll taxes			
<u>Totals</u>	<u>\$ 500.00</u>	<u>\$ -0-</u>	<u>\$ 500.00</u>
<u>CLERK</u>			
Salary and wages	\$	\$ 8,393.16	\$
Salary - deputy		614.00	
Office supplies		575.48	
Mileage and travel		587.09	
<u>Totals</u>	<u>\$ 13,939.11</u>	<u>\$ 10,169.73</u>	<u>\$ 3,769.38</u>
<u>BOARD OF REVIEW</u>			
Salaries and wages	\$ 700.00	\$ 635.00	\$ 65.00

GENEVA TOWNSHIP

GENERAL FUND

Schedule 1.
(Continued)SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>TREASURER</u>			
Salary and wages	\$	\$ 8,393.16	\$
Salary - deputy		744.00	
Office supplies		1,702.13	
Mileage and travel		241.20	
Postage		602.45	
<u>Totals</u>	<u>\$ 14,156.11</u>	<u>\$ 11,682.94</u>	<u>\$ 2,473.17</u>
<u>TOWNSHIP HALL</u>			
Utilities - fuel	\$	\$ 2,821.97	\$
Utilities - electric and telephone		1,175.37	
Repair and maintenance - hall		716.39	
Repair and maintenance - equipment		66.25	
Operating supplies		75.23	
<u>Totals</u>	<u>\$ 5,900.00</u>	<u>\$ 4,855.21</u>	<u>\$ 1,044.79</u>
<u>CEMETERY</u>			
Outside services - mowing	\$	\$ 6,193.29	\$
Grave openings and foundations		1,622.00	
Repair and maintenance		59.00	
Operating supplies		157.95	
<u>Totals</u>	<u>\$ 7,600.00</u>	<u>\$ 8,032.24</u>	<u>\$ (432.24)</u>
<u>LIQUOR LAW ENFORCEMENT</u>	<u>\$ 310.00</u>	<u>\$ 325.00</u>	<u>\$ (15.00)</u>
<u>FIRE PROTECTION</u>			
Contracted services	<u>\$ 29,338.00</u>	<u>\$ 29,143.80</u>	<u>\$ 194.20</u>
<u>ZONING BOARD</u>			
Salaries and wages	\$	\$ 1,690.00	\$
Professional services		3,409.14	
Mileage and travel		207.50	
<u>Totals</u>	<u>\$ 8,300.00</u>	<u>\$ 5,306.64</u>	<u>\$ 2,993.36</u>
<u>DRAIN-AT-LARGE</u>	<u>\$ 4,634.13</u>	<u>\$ 4,737.46</u>	<u>\$ (103.33)</u>
<u>ROAD MAINTENANCE AND IMPROVEMENTS</u>	<u>\$ 30,000.00</u>	<u>\$ 5,940.00</u>	<u>\$ 24,060.00</u>
<u>STREET LIGHTING</u>	<u>\$ 2,300.00</u>	<u>\$ 2,258.74</u>	<u>\$ 41.26</u>
<u>TOTAL EXPENDITURES</u>	<u>\$149,226.07</u>	<u>\$110,747.42</u>	<u>\$ 38,478.65</u>

See accompanying notes to financial statements.

JOHN A. RIGG
CERTIFIED PUBLIC ACCOUNTANT
4012 W. WACKERLY STREET
MIDLAND, MICHIGAN 48640-2298

TELEPHONE (989) 835-6774
FAX (989) 835-9622

To the Honorable Members of the
Geneva Township Board
Midland County, Michigan

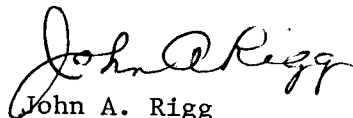
COMMENTS AND RECOMMENDATIONS

1. General ledger asset and liability accounts are not being maintained for the general and solid waste funds other than the bank accounts.
I recommend that a complete general ledger be maintained as required by the State and that it be balanced on a monthly basis.
2. It was noted that township officers are being paid for the month but prior to the 20th of the month. This is an improper early payment.
I recommend that payments be made after the 20th of the month for all elected township officers.
3. Payments are being made to the township treasurer for summer tax collection improperly. Currently the fee is spread over the entire year. This means that payments are made for March, April, May and June before taxes are even collected.
I recommend that one payment to the treasurer be made after the final due date for summer tax collections.
4. Required budget adjustments should be made when changes are needed in both the revenue as well as the expenses. A large decrease in state shared revenue should have been reflected in a budget adjustment.

I wish to thank the township personnel for the assistance given during the completion of the audit.

During the course of my examination, nothing indicating any improper or illegal action came to my attention.

Sincerely,


John A. Rigg

Certified Public Accountant

Midland, Michigan
July 1, 2004